

VZCZCXRO0705
RR RUEHGR
DE RUEHGE #0219 0661158
ZNR UUUUU ZZH
R 071158Z MAR 06
FM AMEMBASSY GEORGETOWN
TO RUEHC/SECSTATE WASHDC 3226
INFO RUCNCOM/EC CARICOM COLLECTIVE

UNCLAS GEORGETOWN 000219

SIPDIS

SIPDIS

E.O. 12598: N/A

TAGS: [ECON](#) [EINV](#) [ECPS](#) [EINT](#) [PGOV](#) [GY](#)

SUBJECT: TELECOM UPDATE--WAR OF WORDS ESCALATES BETWEEN GT&T AND GOG

Ref. GEORGETOWN 174

¶1. SUMMARY: In a rare move to take his case straight to the media, Guyana Telephone and Telegraph (GT&T) CEO Major General (ret.) Joe Singh condemned the GOG's recent "propaganda blitz" as an effort to disparage the company and justify abrogating the firm's exclusive right agreement in landline telephony. The GOG countered with a release accusing the U.S.-owned company of a "campaign of deception" that has blocked growth of the telecom sector and abused its monopoly status while providing poor service. Both sides in the long-simmering dispute are now taking their case to the public, and near-term resolution is highly unlikely. END SUMMARY.

¶2. Singh held the press conference March 2 to brief the media on GT&T's plans and obstacles facing the company following President Jagdeo's latest call for an end to the telephone monopoly the previous week. The CEO also reiterated GT&T owner Atlantic Tele-Network (ATN)'s willingness to negotiate the exclusivity terms of its license and called on the GOG to produce a Memorandum of Understanding as a catalyst for discussions that have been stalled since 2002. Singh also criticized the GOG for failing to take action against unlicensed operators, some of whom service government agencies in spite of the 1991 agreement giving GT&T exclusive rights to provide telecommunications service in Guyana.

¶3. Singh also alleged that GT&T's portion of the Americas II fiber optic cable was deliberately sabotaged twice in a 24-hour period in early February. The company has invested US\$1 million in satellite redundancy to compensate for such interruptions, though this provides only 25% of the capacity of the fiber optic cable.

¶4. In the GOG's response, Information Liaison to the President, Robert Persaud, accused GT&T of attempting to extend its monopoly to internet and fixed wireless local telephone service, although such services were not available at the time of the 1991 agreement. Persaud also accused the company of undermining investment in the telecom industry, specifically citing the unreliability of the Americas II cable and the need for costly investments in less efficient satellite redundancy as obstacles to the establishments of call centers in Guyana.

¶5. In a related matter, the Public Utilities Commission ordered GT&T to cease sales of cellular service on February 24, citing network congestion and complaints of unreliable service. Singh has countered that GT&T cannot comply with the request until service quality standards are established. NOTE: The congestion issue dates back to the National Frequency Management Unit's (NFMU) December 2004 decision to further divide the GSM 900 MHz spectrum from two bands (originally awarded to GT&T and U.S.-owned CelStar Guyana) to four bands by March 21, 2006 in order to accommodate future market entrants. As reported in reftel, the GOG has

announced it will award a cellular license to wireless provider Digicel. GT&T is currently in negotiations with the NFMU to modify the division to allow 33 percent for each provider. END NOTE.

BULLEN